

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT OF)	
MILBURN WATER DISTRICT)	CASE NO. 98-090

O R D E R

On February 23, 1998, Milburn Water District ("Milburn") submitted its application to the Public Service Commission ("Commission") for the purpose of adjusting its rates pursuant to the purchased water adjustment procedure. KRS 278.015 and 807 KAR 5:068.

The application was rejected pursuant to 807 KAR 5:068, Section 3, for failure to submit a revised tariff sheet showing revised rates to be charged and the effective date of the new rate. On March 12, 1998, Milburn submitted amendments to its original application along with a revised tariff sheet, and its case was officially filed.

The Commission, having reviewed the evidence of record and being otherwise sufficiently advised, finds that:

1. Milburn purchases water from Fancy Farm Water District ("Fancy Farm").
2. Effective October 16, 1997, Fancy Farm increased its rates for wholesale water from \$1.53 per 1,000 gallons to \$2.17 per 1,000 gallons.
3. Milburn proposed to increase the rates to its customers effective April 1, 1998.

4. During the 12 months ending January 31, 1998, Milburn purchased 10,851,217 gallons of water and sold 8,093,177.

5. Milburn's amended calculations are correct and show an increase in purchased water cost of \$6,944.78, resulting in a purchased water adjustment of \$0.86 per 1,000 gallons. Based on an average monthly usage of 5,000 gallons, the average bill of Milburn's customers would increase \$4.30 from \$25.30 to \$29.60 or 17 percent.

6. The purchased water adjustment of \$0.86 per 1,000 gallons and the rates in Appendix A, attached hereto and incorporated herein, are fair, just, and reasonable and should be approved.

IT IS THEREFORE ORDERED that:

1. The purchased water adjustment of \$0.86 per 1,000 gallons and the rates in Appendix A are hereby approved for services rendered on and after April 1, 1998.

2. Milburn's proposed tariff is approved.

3. Within 30 days of the date of this Order, Milburn shall file verification that the notice to its customers has been given.

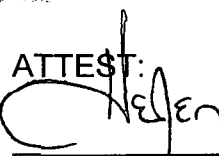
Done at Frankfort, Kentucky, this 25th day of March, 1998.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 98-090 DATED MARCH 25, 1998

The following rates and charges are prescribed for the customers in the area served by Milburn Water District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

Monthly Rates

First	2,000 gallons	\$ 12.35 Minimum Bill
Next	3,000 gallons	5.75 per 1,000 gallons
Next	5,000 gallons	4.90 per 1,000 gallons
Next	10,000 gallons	4.05 per 1,000 gallons
Over	20,000 gallons	3.55 per 1,000 gallons